

**United Nations
GENERAL
ASSEMBLY**

TWENTY-FOURTH SESSION

Official Records



**SECOND COMMITTEE, 1256th
MEETING**

Thursday, 16 October 1969,
at 3.05 p.m.

NEW YORK

CONTENTS

	<i>Page</i>
General statements (<i>continued</i>)	
Agenda items 12 and 40:	
Reports of the Economic and Social Council (A/7603, chapters I to VII, X, XI (sections C, D, F, G, H and J) and XIII; A/7203, paragraphs 764 to 770 (<i>continued</i>) ..	29
Second United Nations Development Decade: report of the Preparatory Committee for the Second United Nations Development Decade (<i>continued</i>)	

Chairman: Mr. Costa P. CARANICAS (Greece).

**GENERAL STATEMENTS (*continued*)
and
AGENDA ITEMS 12 AND 40**

Reports of the Economic and Social Council (A/7603, chapters I to VII, X, XI (sections C, D, F, G, H and J) and XIII; A/7203, paragraphs 764 to 770) (*continued*)

Second United Nations Development Decade: report of the Preparatory Committee for the Second United Nations Development Decade (*continued*) (A/7525 and Add.1-3, A/7603, chap. I; A/7603/Add.1, A/7699)

1. Mr. GALLARDO MORENO (Mexico) pointed out that the beginning of the Second United Nations Development Decade would coincide with the twenty-fifth anniversary of the United Nations and that some 2,500 resolutions had already been adopted by the General Assembly, 1,450 by the Economic and Social Council and 100 by UNCTAD. Hence, there was no need for any further attempts to define the problems of development and, to that end, to adopt additional resolutions. A more profitable course would be to catalogue the solutions proposed in various international forums, as the Pearson Commission had done in its report.¹ Also available for that purpose was the survey by the Secretary-General on principles, directives and guidelines for action in the field of development.² Above all, the international community should demonstrate the political will to act and to take convergent measures in accordance with Article 55 of the Charter of the United Nations.

2. The economic aspirations of the developing countries remained unchanged. They wanted remunerative and stable prices for their commodities, access to the markets of the

developed countries, financing on better terms and the chance to benefit from modern technology. The industrialized countries should help them by countering current trends towards protectionism and by importing from them more agricultural products, manufactures and semi-manufactures. That point had been stressed by the representative of Norway (see 1254th meeting, para. 37). The Government of Mexico hoped that implementation of the system of generalized, non-reciprocal and non-discriminatory preferences, approved by UNCTAD at its second session,³ would begin in 1970.

3. With regard to development financing, the countries of the third world required foreign exchange with which to import capital goods and industrial raw materials not produced at home. The problem would not be as pressing if the countries concerned could export more to the industrialized countries. Domestic savings did not generate foreign exchange if mobilized in the form of stocks of unsalable products. The total trade deficit of the developing countries would, according to projections by United Nations experts, amount to 30,000 million dollars during the Second Development Decade. That was an indication of the scope of the work that had to be done to improve the lot of mankind even slightly.

4. Solution of the problems would become increasingly difficult if immediate action were not taken. While objectives and measures for the Second Development Decade had already been proposed, those most likely to succeed should be selected. At the Committee's 1252nd meeting, the Under-Secretary-General for Economic and Social Affairs had already emphasized the need for integration (A/C.2/L.1058). IBRD and the regional banks could make a useful contribution but, as funds were limited, duplication ought to be avoided wherever possible, with the help of the regional economic commissions. While the results of the First United Nations Development Decade had indeed been modest, the inertia that had characterized the years before the Second World War had lessened, and the productive capacity of the developing countries had increased in spite of the fact that world market forces continued to be unfavourable to them.

5. Before establishing new organs within the United Nations to serve the aims of development, more effective use should be made of existing organs and their work should be organized. However, there was no need to ask a small external working group to evaluate them, as suggested by the representative of Spain. That could be done

¹ Commission on International Development, *Partners in Development* (New York, Praeger Publishers, Inc., 1969).

² Document E/4496.

³ See *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), annex I, resolution 21 (II).

internally by the Secretariat with the assistance of the Committee on Programme and Co-ordination. The representative of Canada had rightly pointed out that the United Nations would be faced with an institutional problem and its mission jeopardized, if the efficiency of its organs was not improved.

6. The prospects for the Second Development Decade were not encouraging without a frank willingness to co-operate. As the Minister for Foreign Affairs of Mexico had pointed out recently to the General Assembly (1763rd plenary meeting), the Economic and Social Council had been set up to serve as a co-ordinating centre. Its role had been somewhat blurred and new life might be instilled into it by means of annual top-level meetings, at which its members and representatives of the specialized agencies would take part. The time had indeed come for constructive solutions aimed at implementing the Charter of the United Nations.

7. Mr. MBAGO (United Republic of Tanzania) said that the Under-Secretary-General for Economic and Social Affairs had rightly emphasized, in his statement at the Committee's 1252nd meeting, the oneness of the world, a concept which also ran through the report of the Commission on International Development. As everyone appeared to agree with that concept, the time had come to move from the stage of formulation to that of implementation. There had been some new and favourable developments on the international scene. The Special Drawing Rights scheme had been adopted by the International Monetary Fund; the second replenishment of the International Development Association had taken place; IBRD and IMF had proposed important measures to improve commodity price stability and for one year the question of international co-operation for development had been under critical examination. Two excellent reports, one by the Committee for Development Planning on its fourth and fifth sessions (E/4682) and the other by the Commission on International Development, dealt with that topic.

8. Unfortunately, no institutional link had been provided between the Special Drawing Rights and "soft" development finance. It should have been possible to allocate a portion of the Special Drawing Rights to multilateral development finance institutions such as IDA, UNDP and the regional development banks. However, the scheme had been created by the Group of Ten member countries of IMF for their own use. The only progress made at the international economic level related to the solution of problems of concern to the industrial countries. The Government of Italy was favourably disposed to making some of the Special Drawing Rights allocated to it available to development financing and it was hoped that other countries would follow suit.

9. The United Republic of Tanzania was convinced that self-reliance should be the basis of its progress. It had achieved 80 to 90 per cent of its targets for the first five-year plan period from 1964 to 1969 by mobilizing its domestic resources. Had commodity prices remained stable, its planned target rate of 6.5 per cent would have been exceeded and over 60 per cent of the Central Government's development programme would have been financed from domestic resources. The target for the second five-year plan

was a 6.7 per cent annual increase in production and 10 per cent in investment. Moreover, the United Republic of Tanzania had entered into a treaty of co-operation with Kenya and Uganda designed to bring about greater economic integration. Those efforts would be of limited value, however, if the world community remained uninterested.

10. With particular reference to agenda item 40, it should be noted with regret that the Preparatory Committee for the Second United Nations Development Decade had failed to achieve positive results. It had been unable to tackle problems in their logical sequence, because some key United Nations agencies had not made recommendations to it concerning their contributions to the Decade. In addition, the absence of the socialist countries adversely affected the Preparatory Committee's work. The United Republic of Tanzania deplored that state of affairs, all the more since it intended to expand its economic relations with those countries in the 1970s.

11. With regard to the methods of evaluating the Decade, most of the existing machinery for review and appraisal was unsuitable, having been set up to function only in the developing areas. New arrangements should be worked out which were primarily designed to adjust and modify the policies and targets of the developed countries. The establishment of a group of experts who would engage in an annual global survey of progress had been proposed in the reports of the Commission on International Development and the Committee for Development Planning. He fully endorsed that proposal but felt that the expert group should be composed mainly of experts from the developing countries.

12. With respect to the mobilization of public opinion, there was need for a selective approach both in terms of type of audience and type of information. The developed countries should be made aware of the benefit they would derive from development assistance. They should not gain the impression that they were making undue sacrifices but should understand that their assistance was being used effectively and contributed to the economic advancement of the international community as a whole. The developing countries should view the aid they received as a supplement to their national resources. It should be pointed out, in that connexion, that at least 85 per cent of the development investment programme as a whole was currently being carried out with the resources mobilized in the developing countries themselves.

13. Since lack of political will on the part of the developed countries had been the major cause of the unsatisfactory results achieved in the first Development Decade, a more effective means would have to be found to influence leadership at all levels and, in particular, to mobilize parliamentary opinion which was a determining factor in budgetary appropriations and external trade legislation.

14. The immense task confronting the Preparatory Committee was out of all proportion to the time available to it. He appealed to the various agencies and to Member States to give it their full co-operation for it would be a serious matter to leave too many questions unsettled on the eve of the Second Development Decade.

15. Mr. LACKO (Czechoslovakia) said that he wished first to sketch the general picture of the world economic situation and the place of the Czechoslovak Socialist Republic therein. The world economic situation was full of contradictions. Production, gross national product and international trade in goods and services were increasing but poverty and hunger had not declined and the gap between the advanced and less advanced countries was widening. Within the most advanced countries, income distribution was becoming ever more unequal and social contradictions more marked and the most dynamic strata of society were voicing their dissatisfaction with that state of affairs. The global figures, which presented an optimistic picture of the situation, concealed the imbalance in the world economy and the instability of current prosperity. The States which had wanted to create an affluent society had failed to stem inflation, stabilize their currencies or eliminate social conflicts. The struggle for economic hegemony was still a feature of mutual relations between them, as had been emphasized in the book by Jean-Jacques Servan-Schreiber entitled *The American Challenge*.⁴

16. The Czechoslovak economy was also confronted with structural problems of long standing; after a temporary decline in 1963-1964, economic growth had resumed. Annual national income and consumption had never been as high as at present, but there was still tension between resources and needs on the capital goods market as well as the consumer goods market. Economic imbalance was complicated by the fact that the management system had not yet succeeded in establishing an effective link between central planning and the market, the main objective of Czechoslovak economic reform. But those domestic economic problems had hardly affected external economic relations. Within the Council for Mutual Economic Assistance the division of labour was being continued with a view to integrating socialist economies; but that was not being done at the expense of economic relations with other States. In 1968, Czechoslovakia's foreign trade had increased by 6.4 per cent as compared with 1967; during the same period, trade with the capitalist States had increased by 7.5 per cent and, during the first half of 1969, the increase in exports to those countries had reached 8 per cent. In spite of its current economic problems, Czechoslovakia wished not to follow a policy of isolation but to intensify co-operation with the rest of the world, particularly through the Economic Commission for Europe; the latter should, however, be as universal as possible and include the German Democratic Republic, whose geographical position and economic potential were outstanding, among its members.

17. On 1 January 1969, Czechoslovakia had become a federal State; a framework had been created in order to enable Slovakia to participate to a greater degree in international economic co-operation. That region, which 20 years previously had still been purely agrarian, was at present producing 25 per cent of the country's national income, 22 per cent of its industrial production and 31 per cent of its agricultural output, but its share of foreign trade amounted to only 14 per cent. Thus strengthened domestically, Czechoslovakia would be able to improve its economic relations with the outside world.

18. Turning to world development problems, he said that some positive results had been achieved during the first Development Decade and that, as was shown in the *World Economic Survey, 1968*,⁵ there had been some increase in production and national income at the global level. Some trends were, however, less encouraging; the terms on which the capitalist countries granted loans were deteriorating; the indebtedness of the developing countries was increasing; the Latin American countries, for example, were using 87 per cent of new loans granted to them to service their old debts; had not the Commission on International Development in its report stressed the fact that, if the current trend continued, the developing countries' debt service would, in 1977, exceed the assistance they would be receiving?

19. The development strategy should focus on a system of clearly defined, consistent economic and political measures. The Governments of the developing countries had important responsibilities to assume; they must eliminate the socio-economic structures which impeded development, mobilize domestic resources, particularly by taking them over and using them effectively. Among essential profound transformations, mention must be made of land reform, progressive changes in the distribution and use of national income and the creation of a climate favourable to education, employment, social mobility and technical progress. As was emphasized in the preliminary sketch prepared by the Committee for Development Planning regarding an international development strategy for the 1970s,⁶ the ruling class did not always accept the implications of development policies. In order to progress, the developing countries must eschew the capitalist model. It was, of course, necessary for those countries to plan economic development at the national and regional levels; but the impact of international economic conditions should not be underestimated. If specific results were to be achieved during the Second Development Decade, the interests of each country and each group of countries must be respected and a spirit of collaboration and interdependence must reign. It could be said, for example, that, to a certain degree, the socialist countries would be able to increase their assistance to the developing countries only if their relations with the capitalist countries improved. In that connexion the Czechoslovak Minister for Foreign Affairs had recently stated in the General Assembly (see 1771st plenary meeting) that, in order to attain optimum development, it was necessary to settle some of the problems arising between countries with different social systems. That point should be included in the global strategy for the 1970s.

20. It seemed vain to try to establish global coefficients or growth rates for the developing countries, which differed greatly from each other. The strategy should, therefore, be viewed as a complex of different economic and political measures. Again, in order to obtain the best results, it was necessary to increase the effectiveness of United Nations organs, which must be co-ordinated and used to the maximum of their capacity.

21. Czechoslovakia took an active part in those organs in the preparations for the Second Development Decade.

⁴ New York, Atheneum House, Inc., 1968.

⁵ United Nations publication, Sales No.: E.69.II.C.7.

⁶ Document E/AC.54/L.30.

From 1966 to 1970 its contribution to UNDP had risen from 1.25 million to 4.5 million Czechoslovak crowns, an increase of 260 per cent. In addition to that multilateral assistance, Czechoslovakia provided many countries with bilateral assistance and, *per capita*, that aid as a whole compared very favourably with that of capitalist countries of the same size. But those resources were not unlimited and it would be unable to expand its contribution in the near future; it should be emphasized that it had no historical responsibility for the economic backwardness of the developing countries and that at the present time it reaped no profits from them.

22. The report of the Economic and Social Council (A/7603) raised several interesting questions but he would refer only to the problems of the human environment (agenda item 21) to which Czechoslovakia, as an industrial country, attached great importance. As a result of international exchanges of view it might be possible to provide modern society with an adequate environment and prevent the eventual extinction of human society. The meeting of government experts on the human environment was to be held at Prague in 1971 and Czechoslovakia was ready to contribute to the success of the conference planned for 1972 on the same subject.

23. Mr. ALLEN (United Kingdom) said that, as it was extremely difficult to find anything new or important to say about the Decade, he would refer to recent happenings in the development field in general. In the first place the report of the Commission on International Development⁷ was a very important and scholarly document which deserved to be studied very carefully; its authors had provided proof of admirable impartiality. One of the report's main merits was its complete objectivity in assessing the achievements and failures of the first United Nations Development Decade. It was now known, for example, that by the end of 1967, or three years before the end of the Decade, the gross national product of the developing countries as a whole had reached an average growth rate of 5 per cent but that, owing to population increases, the *per capita* growth rate had been only 2.5 per cent. The United Kingdom delegation seized the opportunity to welcome, in that connexion, the appointment of a Special Director for the United Nations Fund for Population Activities and the steps taken within IBRD to establish a Population Projects Department.

24. The second important happening relating to development was the report of the Preparatory Committee for the Second United Nations Development Decade (A/7699). The work of the Committee had, on the whole, proceeded satisfactorily, despite the difficulties that had arisen. It was obvious, however, that a development strategy could be completed only when all organs of the United Nations system had submitted their contributions. It was to be hoped that they would do so before the end of November and that the Trade and Development Board in turn would be able, at its resumed ninth session (third part) in February 1970, to produce a draft strategy to be followed by UNCTAD. The Preparatory Committee was to be congratulated upon the way in which it had worked, often in difficult circumstances; he regretted, however, that six

seats on the Preparatory Committee had remained vacant, because of the decision of a group of countries not to take part in its work, at least for the time being. They had not been prevented from doing so, as some contended, but had voluntarily absented themselves for the time being from the proceedings of the Committee, thereby seeming to confirm the impression of a lack of solidarity with the international community's development efforts. His delegation still hoped to see those countries take their place at the Preparatory Committee table. In view of the fact that the report of the Preparatory Committee was still tentative and was to be completed by it during its two forthcoming sessions, his Government intended to put forward some comments and reservations of detail when the time came. The remarkable statement of the Under-Secretary-General for Economic and Social Affairs at the 1252nd meeting of the Committee also deserved some comment. The Under-Secretary-General had rightly drawn attention to the need to foster trade relations among developing countries, which had also been stressed by the delegations of Nepal and Syria, and to the need for further adjustment of the exchange mechanism. He had also rightly pointed out that in the coming years stronger social pressures would induce many Governments to adopt policies going beyond their economic capacity and that demands for social justice would in many cases not yield to the requirements of economic growth. It was also true that a strategy conceived under United Nations auspices and not reflecting the aspirations for social justice of the people of the developing countries was unthinkable; nevertheless, it had to be recognized—as the Preparatory Committee had recognized—that development demanded efforts and, indeed, sacrifices from the people of both developing and developed countries.

25. In conclusion, his delegation believed that the establishment by IMF of the new system of Special Drawing Rights was one of the most important milestones in the economic history of the world and in the progress of international development assistance. That step might well come to be considered, in retrospect, as one of the most significant developments of the first United Nations Development Decade. It provided encouragement for the belief that, despite appearances, human beings were capable of directing their economic destiny and augured well for the Second Development Decade.

26. Mr. SINGH (India) stated that man stood at the cross-roads of human destiny: never had he been in a better position to give substance to the ideals of the Charter of the United Nations with respect to promoting social progress and better levels of living in larger freedom; never before had he possessed such advanced technology nor shown such ingenuity in overcoming difficulties. Yet glaring inequities still existed, and the United Nations could not shirk its responsibilities for removing them. For millions of people in Africa, Asia and Latin America, poverty, disease and ignorance were the harsh realities of daily existence. There had been a time when they might have accepted that situation as their lot, but things had changed. Freedom had brought them the hope of better things. It should not be forgotten that hope was a powerful catalyst, capable of profoundly changing social, political and economic structures, sometimes peacefully but more often violently. The seething mass of humanity, for so long oppressed and

⁷ Op. cit.

exploited, was slowly coming into its own. Palliatives could no longer be relied on to deal with the host of problems faced by the so-called developing nations and the habit of backing out of commitments at the decisive moment would have to be given up. All those problems clamoured for a solution and the members of the Committee should strive together for cogent, practical and relevant answers to them, if they were to meet the challenge of the Second United Nations Development Decade and proclaim the validity of the concept of international economic co-operation.

27. At the approach of the Second Development Decade, efforts were going on in various quarters to make an objective evaluation of the achievements of the First Development Decade. His delegation shared the view that development was too complex a process to be reduced to a few statistical quantities. Nevertheless, in view of the legitimate aspirations of the developing world, the goal still seemed too distant and the steps so far taken too meagre to justify hope or optimism and, on the threshold of the Second Decade, nothing could conceal the grim reality.

28. It was true that the first Development Decade had generally enabled the problems of development to be identified. The few steps taken to resolve them had, however, been totally disproportionate to the magnitude of the task. Various United Nations bodies, in their striving for a new and dynamic economic order, had secured recognition for certain concepts and a few countries had even committed themselves to putting them into practice, but the international community in general, and the rich nations in particular, had not adopted practical measures to fulfil those general objectives. As a result, the gap between rich and poor nations continued to widen and the developing countries' share in world trade continued to decline, as did the proportion of the economically advanced countries' national income made available to the developing countries as financial aid. In the matter of trade, there appeared to have been no concerted effort since the second session of UNCTAD in 1968 to dismantle tariff barriers against trade in items of export interest to developing countries. Finally, there was a growing tendency to detract from the importance of basic objectives and put emphasis on the palliatives; there was even an attempt to provide plausible explanations for the current state of stagnation.

29. It had in the past been customary to say that the structural changes in the world economic system suggested by the developing countries were unreasonable and unrealistic. Expert opinion, however, had repeatedly concluded that such measures were not only reasonable and realistic, but inescapable. In the report of the Committee for Development Planning on its fourth and fifth sessions (E/4682), for instance, Mr. Tinbergen, the Chairman, and his colleagues affirmed that the developed countries would have to make the necessary changes in their domestic economic structures to accommodate shifts of resources from one line of production to another. The same idea had been expressed in similar terms by the President of IBRD, Mr. McNamara. The Commission on International Development, too, had recommended in its report entitled *Partners in Development* that developed countries should draw up plans in respect of commodities, so as to ensure that an increasing share of domestic consumption was supplied by imports from developing countries. Again, the reports of

that Commission and of the Committee for Development Planning had recommended the fulfilment of the 1 per cent target during the coming Decade and the implementation of a scheme of preferences before the launching of the Decade.

30. Why, then, had all those measures, advocated by eminent world authorities, not been applied? It was certainly not because the demands of the developing countries were unreasonable or the measures suggested unsound. The reply was perhaps to be found in the very title of the first chapter of the Commission's report: "A Question of Will".

31. Existing hesitations were all the more regrettable in that each step taken towards solving problems gave rise to new difficulties and serious dilemmas. The experience of the previous two decades showed that development was an irreversible process, admitting of no pause or slackening.

32. India had no illusions about the fact that its development depended to a large degree on external factors. In the ultimate analysis, however, every country had to rely on its own resources, whatever the sacrifices involved.

33. India had set a target date for achieving self-sustained growth, and all its economic policies were geared to that objective. Furthermore, under the auspices of ECAFE, the developing countries of Asia were trying to work out and implement a strategy for regional development based essentially on the optimum utilization of regional resources and providing, among other things, for co-ordination of commodity policies, liberalization of trade, sectoral harmonization of production and marketing policies and joint efforts to build an infrastructure for trade.

34. As the development process progressed in India, the aspirations of the masses were becoming increasingly explicit and were being reflected in national policies, which were now oriented in such a way that the growth process did not bypass the most underprivileged groups of society. Some of the recent institutional changes in the socio-economic system showed that the authorities had not hesitated to make difficult economic choices when that became imperative.

35. Although India was committed to economic development based on self-reliance, it should be remembered that the long-term interests of the international community, including those of the developed countries, would not be served if the developing countries were driven to adopt desperate remedies.

36. The impact of United Nations technical assistance activities was infinitesimal compared to the influence the Organization could exert on governmental policies. All the suggestions for the co-ordination of United Nations economic and social activities and for the more effective utilization of available technical assistance resources were based on a narrow view of United Nations activities in those fields. The suggestions regarding the consolidation and stabilization of those activities would merely perpetuate stagnation and justify the existing protectionist policies.

37. The work done so far by the Preparatory Committee was satisfactory. It had succeeded in broadly defining the

concept of a development strategy and had managed to avoid prejudging substantive issues. However, no progress had been made towards agreement on policy measures.

38. During its next two sessions, the Preparatory Committee might succeed in defining the objectives and magnitude of the development efforts to be made during the Second Development Decade. It might also be able to define certain norms of action and reach agreement on the arrangements to be made, either through existing machinery or through the possible establishment of new machinery. However, the combination of all those elements would not in itself constitute an international development strategy for the 1970s. The elements thus combined by the Preparatory Committee would remain a skeleton without life, incapable of meeting urgent economic and social needs, unless the Governments of both developed and developing countries specifically committed themselves to adopting specific measures to attain the objectives of the Decade. The future of the preparatory work for the Decade would thus depend upon the response which both developed and developing countries gave at the current session of the General Assembly. The problems to be solved called for conscientious commitment by all countries, and the international community must tackle them in a spirit of solidarity in order to improve the lot of all mankind, which was a basic goal set by the founders of the Organization.

39. Mr. OZORIO DE ALMEIDA (Brazil) said that the General Assembly was particularly fortunate in having at its disposal, for the discussion of the items under consideration, a series of excellent documents, such as the report of the Commission on International Development entitled *Partners in Development* and the report on the work done by the Committee for Development Planning at its fourth and fifth sessions (E/4682).

40. Careful scrutiny of those documents showed clearly two things: first, that the international aid dispensed to developing countries in the past two decades had been a valid way of accelerating their economic development, but that, secondly, those countries' economic development had been much slower than desired. During the first United Nations Development Decade, the minimum targets had not been attained and, what was worse, it seemed that most of the conditions normally contributing to the acceleration of economic growth would worsen during the Second Development Decade.

41. Some of the documents before the Committee gave specific figures for the total or regional growth of the developed and developing countries. They were equally precise with regard to population growth and the combined rates calculated on a *per capita* basis. The truth of the matter was that, without questioning the figures for the developed countries, the figures for the developing countries were clearly rough approximations. Some of the countries mentioned had never estimated the value of their gross or net domestic product. Consequently, the comparisons could prove anything or nothing at all. That gave rise to the suspicion that the rough estimates were designed to create an extremely dangerous climate of optimism.

42. The developing countries had certainly made some progress, both economic and social. However, problems and

difficulties seemed to have accumulated faster than resources. From that point of view, the development process followed so far was tending to reach its limit. In other words, the way in which economic development had been oriented did not seem to contain all the necessary and sufficient elements for its continuation.

43. The first erroneous assumption in all the documents was that the developing countries could ensure their salvation by "externalizing" their economies and by the autonomous accumulation of one single factor, capital. It had been assumed that the developing countries could increase their exports sufficiently to transform their savings into imported capital goods and to service a growing debt. It had not been made clear that what could be done by one country or by a small group of countries could not be done by all countries simultaneously. Most of the development advice given to the third world had been based on principles derived from Keynesian economics, which had been devised to solve completely different problems, characteristic of developed countries. In fact, the developing countries had been told that, if they compressed consumption and exported part of their savings, etc., their economies would develop, provided, of course, that they managed their fiscal and monetary sectors efficiently in order to avoid inflation. As a result of that advice, two thirds of mankind had simultaneously tried to sell to the remaining third the few primary products they were able to produce. That had occurred at a time when the consumption of raw materials and food-stuffs in the developed countries constituted a steeply decreasing function of their *per capita* income growth. As a result of the play of the economic laws of the market, that situation had led to a deterioration of the developing countries' terms of trade, accelerated by the fact that the goods purchased by the developing countries were sold at prices which tended increasingly to remunerate technological improvement and contained fewer and fewer imported raw materials. In other words, the developing countries' export efforts had led to a transfer of resources to the developed countries, which tended to match the amount of financial assistance granted by the latter countries to the third world. Furthermore, since the demand for raw materials and food-stuffs in developed countries was in inverse proportion to their income growth, the gap between the income levels of the poor and rich countries tended to widen indefinitely. In fact, in order to maintain a given rate of growth of demand for raw materials and food-stuffs, the *per capita* income of the developed countries would have to increase much faster than that rate, unless, of course, those countries were ready to open their markets to industrial goods produced by the developing countries. In addition to those undesirable results, the analysis of economic data showed that in all countries the ratio of foreign trade had declined in relation to the number of inhabitants. That trend might have ominous consequences for the developing countries, which were faced with large integration schemes of the European Economic Community type.

44. No matter how much the statistics were manipulated, the fact was that the economic development of the third world had not reached its "take-off speed". Growth in most countries tended towards a limit, which seemed to be much closer now than at the beginning of the first Development Decade. A number of conclusions could be drawn from

those observations. The first was that there was an enormous difference between the development problems of small and large countries. It was possible for one small country or a small group of small countries to develop by "externalizing" their economies. In fact, it was the only way open to them, since by definition their internal markets were inadequate for the scale of modern industry. The second conclusion was that it was impossible for all countries simultaneously to "externalize" their economies by increasing their exports of primary commodities. It should be added that commodity agreements resolved only one aspect of the problem—the price aspect—by limiting the volume of exports. The third conclusion was that large countries, with growing populations, could not successfully follow the advice being given them. If a country like Brazil could increase the value of its exports at a rate of, say, 10 per cent a year, then after a few years an international conference would have to be called in order to limit that growth or to save the economies of a number of smaller countries with the same export pattern.

45. It followed from those observations that international agencies should give the under-developed countries other advice than they had given in the past. The economic development of each country must be considered in the light of all the interrelationships in which they were involved in the world in which they were carrying out their development efforts. Small countries could not depart very far from their past practice unless they found a way to get together and form common markets or fully integrate their economies. Large countries, on the other hand, should "internalize" their economies; that was a natural tendency for all large countries with rapidly growing populations. To force them to turn "outward" would impede their chances of internal growth. That did not mean, however, that large countries should not make great efforts in the external sector. Other things being equal, their development would be easier or faster if they could rely on trade and aid for capital goods, technology and supplements to their savings. For countries which, like Brazil, had already completed a first stage of industrialization based on import substitution, "internalization" of the economy necessarily entailed the creation of an adequate internal market.

46. The under-developed countries which had succeeded in establishing a significant industrial sector had, in most cases, done so by replacing imports with domestically-produced commodities. That implied, of course, that there was already a pre-existing demand in those countries, created through trade with developed countries, for certain types of industrial consumer goods. Import substitution had usually been achieved by obtaining equipment from highly advanced countries, where the relative abundance of productive factors was fundamentally different from their own. In those advanced countries there was a relative shortage of manpower and a relative abundance of capital; hence the capital goods they produced were designed to save labour. The transfer of such capital goods to under-developed countries had created serious problems. From the point of view of micro-economic productivity, there was scarcely any alternative: to be competitive, the entrepreneur in an under-developed country had to use the latest type of equipment. But in most cases there might be macro-economic reasons why he did not become competitive despite his modern equipment, namely, the characteris-

tics of the economic system in which the equipment was being put to use. Through new investment, goods that had previously been imported were now being produced locally. The demand was small and, in most cases, did not justify very large-scale production, but the imported equipment tended to require production on a rather large scale. The characteristic feature of the industrial sector in the under-developed countries was that it did not generate a demand for its own products, owing to the nature of the process of import substitution. Industry had a relatively high capital density and a rather large minimum scale of production. Because of the high capital density, the final price of the product went chiefly to remunerate capital, and only a fairly small part to remunerate labour. The result was a situation in which the amount of labour employed per unit of invested capital was sharply decreasing and the remuneration of that labour was a decreasing fraction of the value of the final production. Today there was a tendency for that process to accelerate. In some sectors, increased investment could actually result in reduced employment. At the same time, the high cost was placing the products beyond the reach of the workers participating in industrial production. Consequently, prices went up and the wages paid to labour were no longer high enough to create sufficient demand. That process led to the concentration of purchasing power and therefore to a greater selectivity of demand. The increasing remuneration of capital meant that income itself tended to become concentrated, causing still further limitation of demand and requiring still greater automation of production. As a result labour was even more grossly under-utilized. High production costs in the developing countries were due to their inability to utilize installed capacity fully. Those high costs, resulting from insufficient internal demand, led to high prices and a weaker competitive position in the international market. A high proportion of output had to be exported in order to reduce unit costs, but unit costs had to be reduced in order to make exportation possible. There was no way out of that vicious circle in a market economy which never achieved complete vertical integration. The developing countries were therefore finding it extremely difficult to increase their exports of industrial products even when those products were not subjected to counter-measures from the developed countries, which were also beginning to feel the effects of automation on employment.

47. Certain solutions to those problems had been suggested to the under-developed countries. Some of the solutions involved forms of deflation which resulted in increased unemployment, others involved the lowering of tariffs, but the solution being urged most strongly was population control, which was tantamount to a refusal to plan adequately for economic growth.

48. In his delegation's view, the population problem was very complex and had been treated in a highly oversimplified manner. In order to force indiscriminate birth control on the under-developed countries, projections had been made to show that if current rates of population growth persisted, there would be no room left on earth in a relatively short time, or else simplified quantitative demonstrations were made to show that as population grew, economic development was correspondingly reduced.

49. The long-term projections overlooked the fact that the increase in population growth rates was due not to an

increase in fertility but to a reduction in mortality and an increase in life expectancy, brought about by modern health techniques. Moreover, population growth was accompanied by the aging of the population, so that the high rates of demographic growth would undoubtedly come down to their original levels. In addition, the size and growth rate of a population depended on a number of factors which varied with the times and with economic, social, cultural and political development.

50. The arguments presented as evidence of a conflict between population growth and economic development were even more flawed. First, they were based on an economic growth model in which the development process was made dependent on one single factor, namely, capital, and which ignored the fact that population itself was an equally important factor in production. Secondly, any reduction in the rate of population growth would, in the long run, reduce the rate of growth of income. Preliminary studies made in Brazil seemed to indicate that at least one third of income growth was directly attributable to population growth. Thirdly, because the increases in the rate of demographic growth resulted from an increase in life expectancy, there were highly positive economic benefits to be derived from it. Fourthly, there was ample historical evidence indicating that the great periods of economic growth in the United Kingdom, the United States and other large industrial countries had always been accompanied by high rates of demographic growth.

51. Lastly, attention must be given to the important problem of creating an adequate internal market for mass consumption in the under-developed countries. The role of that market in creating the necessary economies of scale should be borne in mind. Although some countries had high population levels, that was not true in Latin America or Africa, where according to estimates, the population density in 1980 would be about 17 persons per square kilometre. In Japan, a country with an incredibly rapid rate of economic growth, the population density was expected to reach 300 persons per square kilometre in 1980, and there appeared to be a labour shortage in Japan today.

52. With regard to the forthcoming launching of the Second United Nations Development Decade, the General Assembly was called upon to consider, *inter alia*, the preliminary draft of an international strategy. The Second Committee had before it the Preparatory Committee's report on its fourth session (A/7525/Add.3) and the progress report (A/7699) in which the Preparatory Committee indicated that it had not yet been able to prepare the preliminary draft.

53. His delegation's views on the current preparations for the launching of the Decade had already been made known in all forums of the United Nations concerned with that most important issue. There was no need, therefore, to dwell on details, especially as the Second Committee had before it only an interim document dealing with secondary aspects involved in the formulation of the strategy. The Preparatory Committee had managed to reach only provisional agreement on the draft preamble to the document on international development strategy (see A/7525/Add.3 and annex), on the understanding that it would be used as a basis for further work with a view to producing a final text

at a later date. The preamble's vagueness and lack of objectivity added nothing useful to the Committee's work and hardly justified the time which the Preparatory Committee had spent on it.

54. With regard to defining the objectives of the Second Development Decade, his delegation agreed in general with the minimum figure of 6 per cent for the annual growth rate target adopted as a working hypothesis by the Preparatory Committee at its second session (see A/7525/Add.1, para. 11). Those growth rates were, of course, only indications of the objectives to be attained, but they were useful references against which to assess results during the Decade. It was therefore important that the figures agreed upon for global targets should be substantially higher than the modest 5 per cent growth rate in gross national product established as a target for the first Development Decade. With regard to other related targets, the Preparatory Committee had noted the suggestions of the Committee for Development Planning, based on the assumption of a 6 to 7 per cent average annual growth rate of gross national product (see E/4682, para. 17). The Preparatory Committee would have to reach a firm decision on those targets on the basis of the econometric studies made by the competent organs of the Economic and Social Council and taking into account the contribution of the United Nations functional agencies, the most important of which, in his delegation's view, was UNCTAD.

55. The Preparatory Committee had made scarcely any progress with regard to agreement on the policy measures required to fulfil the objectives of the Decade. The Committee had been unable to incorporate in the strategy the contributions of the functional agencies, particularly that of UNCTAD, despite the efforts of the representatives of the developing countries at Geneva to reach agreement on the basic issues of major interest to them as regarded trade and development. That regrettable situation could be attributed, in his delegation's view, to the lack of political will on the part of the Governments of the industrialized countries.

56. Some minor progress of an institutional nature had been made in the Preparatory Committee's work; however, it had been achieved mainly in secondary fields, such as the preliminary draft of a preamble, the review and appraisal machinery, the mobilization of public opinion, etc. (see A/7525/Add.3). In the absence of specific proposals on the basic aspects of strategy, any discussion of those secondary aspects would be premature, to say the least.

57. His delegation was looking forward to the conclusions of the third part of the ninth session of the Trade and Development Board which was to decide on the UNCTAD contribution to the international development strategy. It hoped that agreement would be reached on the problems outstanding regarding primary commodities, manufactures, the system of general non-discriminatory preferences, etc.

58. With regard to the transfer of technology to the developing countries, his delegation appreciated the fact that the Economic and Social Council, in its report (see A/7603, chap. V, sect. C), had taken due account of the views expressed by other organs which had reviewed that matter in response to the concern expressed by the

developing countries about existing arrangements. It was gratifying to note that the Council, in its resolution 1454 (XLVII) of 8 August 1969, had acknowledged that UNCTAD was competent to take any action in connexion with those aspects of the transfer of technology that fell within its jurisdiction. As his delegation had frequently stressed, UNCTAD should have competence to deal, *inter alia*, with invisible items having adverse effects on the balance of payments of the developing countries, particularly patents, royalties, technical know-how, etc.

59. His delegation also welcomed the Council's decision in its resolution 1454 (XLVII) to extend the mandate of the Advisory Committee on the Application of Science and Technology to Development and to increase its membership. However, no final decision should be taken without due consideration of the views of the Enlarged Committee for Programme and Co-ordination to the effect that the General Assembly should request the Secretary-General, in consultation with the specialized agencies and other United Nations organs, to include an examination of the existing Secretariat machinery and recommendations for its reorganization as part of the report which the Council had requested for its forty-ninth session. With regard to arrangements for the transfer of operative technology, his delegation was satisfied with the constructive efforts of the United Nations organs and agencies, particularly the views contained in paragraphs 43 to 65 of the final report of the Enlarged Committee for Programme and Co-ordination,⁸ which his country fully endorsed.

60. The Secretary-General, in his annual report to the General Assembly on the work of the Organization (A/7601 and Add.1), and the Under-Secretary-General for Economic and Social Affairs, in his statement to the Second Committee at its 1252nd meeting (A/C.2/L.1058), had dealt at some length with the global problems of economic and social development in the context of the Second Development Decade and had emphasized that increasing attention was being given to the need to utilize existing institutional machinery in order to ensure the best possible use of United Nations resources. A number of surveys were currently being conducted into the need to increase the capacity of the United Nations system so that it could discharge more efficiently its activities in the field of multilateral co-operation. In that connexion, the Secretary-General had referred in the introduction to his annual report (see A/7601/Add.1, para. 128), to the general review by the Enlarged Committee for Programme and Co-ordination, the Capacity Study being carried out by UNDP and the report of the Commission on International Development. His delegation looked forward to the publication of the Capacity Study, which could be expected to have enormous impact in the field of multilateral co-operation in the years to come.

61. Of the proposals put forward by the Enlarged Committee for Programme and Co-ordination in its final report, his delegation wished to refer particularly to the one concerning the reorganization of the machinery for programme evaluation and co-ordination at the inter-governmental level, namely, the reconstitution of the Committee for Programme and Co-ordination. The proposal

deserved the General Assembly's approval. The findings of the Enlarged Committee for Programme and Co-ordination concerning the strengthening of intergovernmental machinery for programme evaluation and co-ordination had a decisive bearing on the implementation of international development strategy for the Second Development Decade.

62. Mr. ALI (Pakistan) said that the Under-Secretary-General's statement (A/C.2/L.1058) was an objective and excellent analysis, drawing attention not only to development problems but also to matters of global organization which could affect the future of the whole world. In the past three years, his delegation had introduced in the Committee three draft resolutions, which had become General Assembly resolutions 2218 (XXI) of 1966, 2305 (XXII) of 1967 and 2411 (XXIII) of 1968. Assembly resolution 2411 (XXIII) had set up the Preparatory Committee for the Second United Nations Development Decade to draw up the international strategy. The first Development Decade had been criticized on the grounds that it had not been supported by any plan of action; the General Assembly had therefore wished to avoid a repetition of that situation during the Second Development Decade.

63. Economic and Social Council resolution 1447 (XLVII) of 5 August 1969 indicated what the strategy should comprise, and defined the main development objective for the Second United Nations Development Decade, which should be "to promote sustained growth, especially in developing countries, leading to 'higher standards of living, full employment, and conditions for economic and social progress and development' so as to facilitate the process of narrowing the gap between the developed and the developing countries".

64. Thus far the Preparatory Committee responsible for formulating the draft strategy had made but meagre progress. It had not been able to submit to the twenty-fourth session of the Assembly a preliminary draft of an international development strategy. It was unlikely that such a draft could be finalized by early 1970. However, that failure was not due to lack of effort on the part of the members of the Preparatory Committee. It was due in part to the inability of Governments to commit themselves to any definite course of action. UNCTAD had not succeeded in enunciating definite policy measures within its field of competence. The Preparatory Committee had consequently had to examine such secondary issues as the review and appraisal machinery and the mobilization of public opinion. Specific action programmes and formal commitments for the implementation of convergent measures were required if the Second Development Decade was to succeed. However, the results obtained by the Preparatory Committee were not entirely negative. Although the absence of the socialist countries was regrettable, the discussions had taken place in a constructive atmosphere, with a greater understanding of the limitations of both developed and developing countries. The concept of international responsibility had been recognized by all concerned and there had obviously been a growing awareness of a world community, as the report of the Commission for International Development had clearly brought out.

65. It seemed that there was a need to strengthen the political will of developed countries to make the Second

⁸ Official Records of the Economic and Social Council, Forty-seventh Session, document E/4748.

Development Decade a success. The developing countries had come to realize that resources could not be engendered by majority vote. The strategy could not be reduced to the level of a unilateral list of demands by either developed or developing countries. Furthermore, the Preparatory Committee had emphasized the interdependence of the social and economic sectors and the need for integrating policy on both aspects of strategy. The developing countries must attain a high rate of economic development to eliminate poverty, but such development must also take into account moral and spiritual values and aim at the creation of a just and dynamic society. The need for social development could not be disregarded in view of the growing awareness of social inequalities and the population factor. However, it was difficult to strike a balance between the economic and social obligations of development plans. Pakistan's experience was reflected in its fourth five-year plan and it had taken some effective steps in the fields of labour and education. Primary education was now free and a legal minimum wage had been established.

66. However, the developing countries were chiefly concerned with questions of aid, trade and the transfer of technology. It was in those areas that the development effort should show the best returns. The experience of the last two decades had shown that considerable economic progress had in fact been achieved and that economically under-developed parts of the world were capable of growth. That had been clearly brought out in the report of the Commission on International Development. However, at the very moment when assistance efforts were beginning to yield results, official support seemed to be faltering in the aid-giving countries. The resources provided by the developed countries which were members of the Development Assistance Committee of OECD were now less than 0.7 per cent of their gross national product. While the increase in the combined gross product of those countries had exceeded \$500,000 million during the period 1961 to 1967 the total flow to the developing countries had increased by only \$2,100 million. The climate for development continued to deteriorate. The proportion of grants in total transfers had declined and export credits were being given on increasingly restrictive terms. The burden of debt-servicing was growing, interest rates were spiralling, and aid continued to be tied. So far as trade was concerned, no appreciable progress had been made in liberalizing trade policies. The agreement reached in principle at the second session of UNCTAD had provided for a system of generalized, non-reciprocal and non-discriminatory tariff preferences in favour of the exports of developing countries in the markets of the industrial nations.⁹ The actual implementation of that agreement was painfully slow. Efforts to improve the commodity exports of the developing countries were also discouraging.

67. It was to be hoped that the reform of the international monetary system would be directed towards facilitating not only an over-all expansion of world trade but also a considerable increase in the flow of aid to developing countries. His delegation was eagerly awaiting the special study to be prepared by the group of experts on international monetary issues established in pursuance of resolu-

tion 55 (VIII) of the Trade and Development Board.¹⁰ It hoped that some positive recommendations would be forthcoming with regard to arrangements for establishing a close link between the creation of new international liquidity and the provision of additional development assistance. Both the report of the Commission on International Development and the Under-Secretary-General's statement made reference to the existence of a trend away from the concept of international responsibility for development. The climate was deteriorating and the very concept of partnership was in danger. If those negative aspects were to be dispelled, both developed and developing countries would have to demonstrate a greater will for concerted action. There must be a demonstration of faith, and movement towards active co-operation and trust. The Second Development Decade and its strategy offered the opportunity for that demonstration and movement. The primary responsibility for development rested with the developing countries themselves. They were aware of the sacrifices that they had to make and the situation was not hopeless. The problems were enormous and a global alliance to solve them was essential. The Development Decade was not a panacea. Nevertheless it was a vital and practical step towards a solution.

68. Mr. KELSO (Australia) said that it was appropriate to ask from time to time about the role and utility of the Second Committee. Economic questions were discussed in many other forums. However, since not all countries were represented on all of the specific economic bodies, the Second Committee served to put international economic questions in a general political context. However, the value of a large number of general economic statements coming so soon after the general debate in plenary might be questioned.

69. The Secretariat was the instrument for implementing decisions, but it was under considerable strain. It was regrettable that the pressures for the geographical distribution of staff had been carried to such extreme lengths that they had opened the way to direct political influence on the Secretariat by delegations and groups of delegations. For example, while the Secretariat had long since laid down a ratio of three permanent officials for every fixed-term or temporary appointee to preserve desirable standards of efficient and coherent work, the point had now been reached where there were only two permanent officials for every fixed-term or temporary appointee. The Secretariat had increasingly had to resort to outside consultants, special contracts and special trust fund contributions. The over-all effect seemed to be to add uncertainty, if not confusion, to complexity.

70. The economic and social work of the United Nations was in many respects its most hopeful activity. But the available machinery faced considerable difficulties. It sometimes seemed that instead of formulating programmes of value to developing countries, delegations were engaged in a never-ending round of conferences of little relevance to the specific problems. In examining the recent reports of the Economic and Social Council, they were confronted with what seemed to be a bewildering entanglement of policy, administrative and programming problems.

⁹ See foot-note 3.

¹⁰ See *Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 16 (A/7616)*, part one, annex I.

71. The Second United Nations Development Decade carried with it potential for both hope and disillusionment. The discussion must not take place in isolation from the realities of development problems in individual countries. Talk about the first Development Decade in terms of success or failure was often beside the point, because it cast no light on the real question—the development performance of a given country. Governments could comment objectively on their country's performance only on the basis of national results. The first Development Decade had been a commitment by the international community and Governments to further the process of development; and that it had done. However, it could not provide absolute guarantees that all countries would be able to achieve the objective. It was understandable that representatives should express dissatisfaction when the growth rates of their country were unsatisfactory. But it served no purpose to use the first Development Decade as a scapegoat for the difficulties experienced by some countries in achieving a satisfactory rate of economic development.

72. With regard to the Second Development Decade, there were serious difficulties in the formulation of a strategy. It was too easy to become involved in discussions of words rather than problems of substance. Questions of method and terminology should not cause speakers to lose sight of the realities of hunger and poverty in the areas of the world which required assistance.

73. It was a hopeful sign that some of the smaller developed or industrialized countries had in recent years been able to make substantial increases in their contributions to development assistance. Australia's own budget for development assistance for the current fiscal year showed an increase of 7.8 per cent over the previous figure. During the first Development Decade, Australia's expenditure on external aid had continued to increase at a faster rate than total government spending and national income. But the contributions and efforts of the smaller developed countries would be insufficient if those of the larger countries continued to falter. That was one of the biggest and most serious of problems of the present situation. In 1968, the United States had accounted for 44 per cent of total net assistance flows from members of the Development Assistance Committee of OECD. The Federal Republic of Germany, with 12.9 per cent, was next, followed by France, Japan and the United Kingdom. The 17 members of the Development Assistance Committee had provided 95 per cent of the total financial transfers to the less-developed countries. The faltering contributions of some of the largest contributors was a matter of great concern for the development strategy. It was not a simple phenomenon, and was both a function and a consequence of complicated forces which had their origin in the development processes of industrialized countries themselves. It was essential that the growth of those countries should be sustained if their contributions to development assistance were to be increased. They had serious difficulties to face, including the disequilibrium in international payments, accelerating inflation in some countries and extremely high interest rates.

74. Nevertheless, world trade had increased by 12 per cent between 1967 and 1968. In 1968, the exports of primary producing countries had increased at an annual rate of 13 per cent and the developing countries had increased their

reserves by \$1,000 million. To sustain that growth, greater stability in the structure of international payments would have to be achieved. The Special Drawing Rights of IMF marked an advance, but they were no magic formula.

75. The spirit of co-operation which had been displayed in the Preparatory Committee was encouraging. Confrontations would cause opposition to development assistance, and were to be avoided. Given a spirit of co-operation, it would be possible to stimulate public opinion. The strategy should be built up on the basis of complementary and balanced contributions by developed and developing countries and by the international community.

76. Australia was pleased to note the increasing attention now being given by the international community to problems of population growth. Attention would have to be given to the complex problems of population during the Second Development Decade. The strategy of the Second Development Decade should show ways of attacking the more fundamental problems which could not be solved simply by giving assistance. Present knowledge and present international machinery would not be able to construct a complete strategy to cover all situations. But the acceptance of a strategy would in itself be a very significant achievement for all forms of international economic co-operation. Such an achievement would stimulate future co-operation between developed and developing countries and would assist the technical consultations concerning all aspects of development problems. In the Australian delegation's view, realism called for continual review and revision of the policies followed during the Decade.

77. Mr. RABEARIVELO (Madagascar) said that the experience of the first Development Decade had been disappointing. The growth-rate target of 5 per cent of the gross national product for the developing countries had not been attained, but in the developed countries it had been exceeded, and the standard-of-living gap between the two categories had steadily widened. The main causes of that failure appeared to have been inadequate preparation, lack of resources, a negative attitude on the part of the developed countries which was apparent in the market economy countries and the socialist countries alike, and, more generally, the lack of political will. In view of the importance of the concept of convergent measures defined in the Charter of Algiers¹¹ and reaffirmed at the second session of UNCTAD at New Delhi, his delegation was in favour of a long-term international policy that would define the obligations of both the developing and the developed countries. The experience of the first Development Decade had shown that the efficacy of the measures adopted depended upon their being integrated in a global strategy based on international co-operation.

78. First, the United Nations system appeared to be in need of improvement. Every strategy needed a general who would co-ordinate all action against the enemy, which, in the case under consideration, was under-development. Yet, at the present time, the various bodies responsible for

¹¹ See *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr. 1 and 3 and Add. 1 and 2, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), annex IX, p. 431.

preparing the Second Development Decade were working in extended order or in ignorance of each other.

79. His delegation felt compelled to express disappointment with the lack of agreement reached at the Trade and Development Board and with the report of the Preparatory Committee for the Second United Nations Development Decade (A/7699), which had fixed targets and drawn up a list of items on which action was to be taken, while failing to decide what action should be taken or to work out a time-table. The problem was urgent, and the time had come to speed up the preparations for the Second Development Decade. The jurisdictional dispute between the Preparatory Committee and the Trade and Development Board should be ended. The former was not recognized by the socialist countries and the latter was cold-shouldered by the market-economy countries; meanwhile, the developing countries suffered. The Second Committee should decide which body should be generally recognized as having responsibility for the co-ordination of development activity within the United Nations system. It might perhaps be the Economic Committee of the Economic and Social Council.

80. Secondly, since the strategy had been prepared and the targets fixed, steps should be taken to define the action to be taken and the commitments to be entered into, and to work out a time-table. The Preparatory Committee had set quantitative global targets, but what was now needed was to define the four types of measures to be taken: *(a)* in trade, those measures should be aimed at eliminating the trade deficit by giving the products of the developing countries access to the markets of the developed countries, removing tariff barriers, and establishing commodity agreements which would ensure stable and remunerative prices; *(b)* in finance, they should be aimed at compensating for inadequate savings by increasing the volume of transfers to the developing countries; the target of 1 per cent of the gross national product of the developed countries fixed at New Delhi should be attained by the developed countries as soon as possible; interest rates should be lowered and aid

should no longer be tied; *(c)* in the technical and scientific field, steps should be taken during the Decade to accelerate the transfer of technical know-how from the developed to the developing countries; and *(d)* in the social field, measures should be taken in regard to health, education and population. As to population, his delegation considered that account should be taken of the special circumstances of individual countries; some of them, like Madagascar, were under-populated, and the problem was one of regulation rather than limitation.

81. In carrying out those measures, particular attention should be paid to the least advanced developing countries. The adoption of a general rate of 6 per cent might well widen further the gap between such countries and the developed countries, and even between them and the more advanced developing countries. Lastly, a time-table should be worked out for the implementation of the measures in question. In his opening statement (see 1252nd meeting), the Under-Secretary-General had remarked that the first Development Decade had coincided with the conquest of space. At the beginning of the 1960s, a commitment had been entered into and a date had been fixed for the conquest of the moon. The commitment had been honoured and the target-date had been achieved. Yet, although he had been able to conquer space, man had so far proved incapable of solving the problem of ensuring a decent life for over 50 per cent of mankind. The gap between the rich and the poor could be filled in a short space of time with only a small part of the resources allocated to armament and the conquest of space.

82. His delegation supported the proposal of the Philippine delegation at the Committee's 1253rd meeting, namely, that the report of the Commission on International Development entitled *Partners in Development* should be considered by the Second Committee.

The meeting rose at 6.35 p.m.